



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Ryan Rauschenberger, Commissioner

To: North Dakota Sales, Use and Gross Receipts Tax Permit Holders

Subject: Local Tax Changes Effective April 1, 2014

Date: January 31, 2014

The following summarizes the local option tax changes effective April 1, 2014. Information will be mailed to permit holders located within the city and county where the change will occur.

Carrington

The city of Carrington will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Carrington starting April 1, 2014 will be two percent (2%). The Maximum Tax (Refund Cap) will remain at \$25.00 per sale. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Ray

The city of Ray will increase its city sales, use and gross receipts tax by one half percent (.5%). The tax rate for Ray starting April 1, 2014 will be two percent (2%). No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Cavalier

As a reminder, the city of Cavalier approved to continue the 1% local tax dedicated to the hospital and economic development. The tax rate for Cavalier will remain at 2%. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Maximum Tax (Refund Cap)

The maximum tax is the amount of tax that could apply to a single transaction. If the purchaser pays more than the maximum tax amount on a purchase, the purchaser may apply to the Tax Commissioner for a refund of any tax paid in excess of the maximum tax. Retailers may voluntarily collect up to the maximum tax amount as a convenience to their customers so the purchasers do not need to apply for a refund. Retailers are not required to calculate maximum tax and may continue to collect tax without regard to the maximum tax. Retailers should be consistent in the method they choose to calculate local taxes.

More information on state and local taxes, including the Local Option Taxes by Location Guideline, is available on our web site at www.nd.gov/tax. Rate charts are also available on our web site. You may also contact the Tax Compliance Section at 701.328.1246 or by e-mail at salestax@nd.gov.